



February 14, 2012

**Los Angeles County  
Board of Supervisors**

**Gloria Molina**  
First District

**Mark Ridley-Thomas**  
Second District

**Zev Yaroslavsky**  
Third District

**Don Knabe**  
Fourth District

**Michael D. Antonovich**  
Fifth District

**TO:** Supervisor Zev Yaroslavsky, Chairman  
Supervisor Gloria Molina  
Supervisor Mark Ridley-Thomas  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

**FROM:**  Mitchell H. Katz, M.D.  
Director

**SUBJECT: ADVANCED NOTIFICATION OF SOLE SOURCE  
AGREEMENT NEGOTIATIONS WITH NATIONAL  
HEALTH FOUNDATION**

**Mitchell H. Katz, M.D.**  
Director

**Hal F. Yee, Jr., M.D., Ph.D.**  
Chief Medical Officer

**John F. Schunhoff, Ph.D.**  
Chief Deputy Director

This is to advise your Board that in two weeks' time, the Department of Health Services (DHS) intends to enter into sole source agreement negotiations with National Health Foundation (NHF) for the administration of two forthcoming grants from Blue Shield of California Foundation (BSCF). Board Policy No. 5.100 requires written notice of a department's intent to enter into sole source negotiations for agreements over \$250,000.

On April 3, 2012, DHS will recommend to your Board acceptance of the two grants from BSCF, as well as delegation of authority to the Director of DHS to execute a sole source agreement with NHF. The BSCF \$500,000 grant will support the eConsult Specialty Guidelines Development Project, and the \$150,000 grant will support Low Income Health Plan (LIHP) implementation and enrollment related projects.

DHS proposes to negotiate with NHF to administer the anticipated total of \$650,000 in grant funds from BSCF, as well as to fulfill project staffing needs in support of the underlying projects. NHF has a long and distinguished history of improving and enhancing the healthcare of underserved populations by developing innovative programs and using advanced web-based technologies. As DHS strives to develop and implement e-Consult to improve the delivery of specialty care services, it is confident that NHF can provide critical services and manage the resources which will enable DHS to be successful.

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*To ensure access to high-quality,  
patient-centered, cost-effective  
health care to Los Angeles County  
residents through direct services at  
DHS facilities and through  
collaboration with community and  
university partners.*



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Furthermore, DHS and NHF have a long history of working together to transform health care delivery systems. NHF spearheaded a number of research, service, and publication projects for DHS beginning in 2002. NHF is also the founding member of the Chronic Disease Management Consortium (CDMC) of which Harbor UCLA Medical Center is a member.

Support of the BSCF grants and a contractual arrangement with NHF will not only enable DHS to fulfill Goal 4, Health and Mental Health of the County's Strategic Plan, it will also enable DHS to move forward with its significant restructuring effort to address requirements defined under the new California 1115 Medicaid Waiver as well as changes proposed under healthcare reform.

DHS will proceed with the sole source negotiations with NHF within two weeks from the date of this memo unless the Department is instructed otherwise by your Board.

If you have any questions, please let me know.

MHK:ws

c: Chief Executive Office  
County Counsel  
Executive Office, Board of Supervisors